

FOR RELEASE:

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U.S. Secretary of Education Arne Duncan today announced that \$44 billion in stimulus funding from the American Recovery and Reinvestment Act (ARRA) will be available to states in the next 30 to 45 days. The first round of funding will help avert hundreds of thousands of estimated teacher layoffs in schools and school districts while driving crucial education improvements, reforms, and results for students.

"These funds will be distributed as quickly as possible to save and create jobs and improve education, and will be invested as transparently as possible so we can measure the impact in the classroom," said Duncan. "Strict reporting requirements will ensure that Americans know exactly how their money is being spent and how their schools are being improved."

Guidelines posted by Duncan today authorize the release this month of half the Title I, Part A stimulus funds, amounting to \$5 billion, and half the funds for the Individuals with Disabilities Education Act (IDEA), \$6 billion, without new applications.

By the end of March, governors will be able to apply for 67 percent of the State Fiscal Stabilization Funds (SFSF) and discretionary SFSF, totaling \$32.5 billion. These funds will be released within two weeks after approvable applications are received.

In the next 30 days, nearly \$700 million more will be available for various programs including vocational rehabilitation state grants and impact aid construction, Duncan said. Another \$17.3 billion for Pell Grants and work-study funds is available for disbursement for the next academic year beginning July 1.

An additional \$35 billion in Title 1, IDEA, and State Fiscal Stabilization Funds, as well as monies for other programs will be distributed between July 1 and September 30.

ARRA funds must be used to improve student achievement. To receive the first round of state stabilization funds, states must commit to meet ARRA requirements, including making progress on four key education reforms, sharing required baseline data, and meeting record-keeping and

transparency requirements. To receive the second round of funding, they must provide evidence and plans for progress on these assurances. All four education reforms were previously authorized under bipartisan education legislation—including the Elementary and Secondary Education Act and the America Competes Act of 2007:

- Raising standards through college- and career-ready standards and high-quality assessments that are valid and reliable for all students, including English language learners and students with disabilities;
- Increasing transparency by establishing better data systems tracking student progress over time;
- Improving teacher effectiveness and ensuring an equitable supply and distribution of qualified teachers;
- Supporting effective intervention strategies for lowest-performing schools.

Finally, a \$5 billion fund has been established under the law for the Department of Education. This includes a \$4.35 billion "Race to the Top" fund to help states with bold plans to improve student achievement—including these four reforms—and \$650 million to assist school districts and non-profit organizations with strong track records of improving student achievement. State grants will go out in two rounds over the next year, beginning in October 2009. Applications will be available later in the spring.

"These investments will save and create jobs in the short term, while raising achievement in the long term," Duncan said. "We will need a strong commitment on the front end and even stronger proof on the back end that states are making progress."

Duncan also said that states should work hard to avoid "funding cliffs" by investing ARRA funds in ways that minimize "the tail"—i.e., ongoing costs after the funding expires.

"These are one-time funds, and state and school officials need to find the best way to stretch every dollar and spend the money in ways that protect and support children without carrying continuing costs," Duncan said.

Additional details, including a category-by-category list of all ARRA funds appropriated to the Department of Education, as well as requirements and plans for their distribution are posted at www.ed.gov/recovery

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"Our goals are to save jobs and improve education. Today's guidelines show exactly how we can do both—balancing the need for a speedy release of funds with the need for aggressive and thoughtful school improvements and reform to improve results for our children," Duncan said.